it had been confined to that alone. Surely the hon. member did not mean that! If he had read my remarks in speaking on the motion he would have seen.

Mr. SPEAKER: Is the hon. member proposing to refer to "Hansard" of this session?

Mr. DURACK: Yes.

Mr. SPEAKER: He cannot do so.

Mr. DURACK: When we have wanted money we have always been met with the reply that it was not available. There is a feeling abroad that we are not having that amount of money spent in the north to which we are entitled. I only wish on behalf of the people there to find out what our position is. I am repeatedly asked for information of this nature, but am not able to supply it. This is the first time I have asked for such a return, and I am very much in earnest about it. The late Treasurer said in 1902, when money was just as tight as it is now——

The Premier: It was very plentiful then.

Mr. DURACK: Said that he was prepared to spend half a million of money in developing the North-West. I understand that the Minister for Works——

Mr. SPEAKER: The hon. member is not replying to arguments advanced during the debate, but is breaking new ground. No hon. member can reply to him, and it is not fair to them.

Mr. DURACK: The member for North-East Fremantle implied that we were throwing dust in the eyes of the people.

Hon. W. C. Angwin: I did not refer to members representing the north, but to political parties.

Mr. DURACK: We have no desire to throw dust in anyone's eyes. I must of course abide by the decision of the House. The Government should certainly give us more consideration than we have hitherto received. I do not object to the amendment moved by the member for Geraldton, nor am I anxious for accurate figures, or information in great detail. I hope the Premier will be able to supply the information asked for if only in an approximate way.

The Premier: We can give you estimates.

Amendment put and negatived.

Question put and a division taken with the following result:—

Ayes	13
Noes	17
Majority against ..	4

Ayes	
Mr. Angelo	Mr. Please
Mr. Chesson	Mr. Teesdale
Mr. Durack	Mr. A. Thomson
Mr. Harrison	Mr. Troy
Mr. Johnston	Mr. Willcock
Mr. Lutey	Mr. Underwood
Mr. Marshall	(*Teller.*)

Noes	
Mr. Angwin	Mr. McCallum
Mr. Corboy	Sir James Mitchell
Mr. Denton	Mr. Money
Mr. George	Mr. Mullany
Mr. Hickmott	Mr. Pickering
Mr. Lambert	Mr. Richardson
Mr. Latham	Mr. Sampson
Mr. H. K. Maley	Mr. Munsie
Mr. Mann	(*Teller.*)

Question thus negatived.

BILL—LIGHT AND AIR ACT AMENDMENT.

Council's Message.

Message received from the Council notifying that it had agreed to the Assembly's amendment subject to a modification.

House adjourned at 10.41 p.m.

Legislative Council,

Thursday, 9th November, 1922.

The PRESIDENT took the Chair at 4.30 p.m., and read prayers.

QUESTION—PUBLIC WORKS DEPARTMENT, ESTIMATES.

Hon. G. W. MILES asked the Minister for Education: Having regard to the discrepancies shown between the Public Works estimates and the actual cost of the Herdsman's Lake drainage scheme and the Beacon Point jetty, as set out in reply to my questions of yesterday, 1, Will the Government at once take steps to reorganise the Public Works Department? 2, Will the Government in future call for tenders for all public works costing over £1,000?

The MINISTER FOR EDUCATION replied: 1, Steps have been taken to prevent the recurrence of such discrepancies. 2, Yes, wherever practicable.

BILL—CLOSER SETTLEMENT.

Second Reading.

The MINISTER FOR EDUCATION: (Hon. H. P. Colebatch—East) [4.37] in mov-

ing the second reading said: The Bill is practically the same as the Bill which was read a second time in this House towards the close of last session. There are certain alterations which I will fully explain. There is provision for the third member of the board to be varied from time to time so that he may be a person of local knowledge. The limitation in the previous Bill to 12 miles from the railway is removed, and there is a very important alteration in Clause 7, which I will explain in detail. It provides for compensation when land is compulsorily acquired under the Bill. The last Bill was presented in the Assembly and there passed through all stages last year. It then came up to this House and, after passing the second reading, was referred to a select committee. The select committee held a few sittings, examined certain witnesses, and Parliament was then prorogued. The essence of the report of the select committee was that members of the committee were of opinion that the Bill would not serve the desired purpose because it was not made applicable to conditional purchase land as well as to freehold land. The assumption might be fairly drawn from the report of the select committee that the committee was of opinion the Bill would be effective in respect of freehold land, but that it was equally, if not more, necessary to have some provision dealing with conditional purchase land; and as the Bill did not make that provision the Bill would not be effective. That, I take it, was the idea of the select committee. With that feature I will deal fully when we come to the clause. It is admittedly a very difficult Bill. Anyone who takes the trouble to survey the legislation in force in the other States of the Commonwealth and in New Zealand, will realise what a difficult matter it is. Almost every one of the States has legislation of the kind, which is a very strong argument for the necessity for such a Bill. But they all vary considerably, and in each case the difficulty of doing what is just and equitable is recognised. It is essential that any legislation of the kind should be just and equitable to the holders of land. Were it otherwise, it would destroy the security in land and, with the destruction of the security, it would imperil any industry which is based on land, and consequently imperil the whole solvency of the State. There can be no two opinions as to the necessity for legislation of the kind. Members of the House who go about the country must be impressed with the fact that there is in Western Australia a great deal of land, not beyond the reach of existing railways, which is not put to its full use. There can be no doubt that the condition of our railway finances is largely due to that fact. We have a tremendous mileage of railways, and many of the lines are very sparsely used. To bring into effective use the whole of the lands within a reasonable distance of the existing railway system would have the effect of putting the railways on a payable basis. Then we have to consider the matter from the very important point of view of immigration. In the settling of new people it is recognised that new country will have to be opened up by the construction of additional railways. But that work must go hand in hand with the settlement of additional settlers along the existing railways. Unless the two things move together, our Railway finances will get into even a more serious condition than they are. First of all, we have to consider the very important matter of conserving the proper rights of existing land holders. I think the House will undoubtedly take that view. But it would be not only wrong in principle, but highly dangerous, for the House to take the view that the owner of land can do or not do just whatever he likes with it. Over the door of the Stock Exchange, London, a strange place one might think for such a legend, are the words "The earth is the Lord's and the fulness thereof." The ownership of land confers on the owner the right to use it, but it does not confer, and no law made by man can confer, upon the owner the right to hold land in idleness.

Hon. H. Stewart: Does it say that in the Crown grants?

The MINISTER FOR EDUCATION: I do not care what it says in the Crown grants. No act of man can confer on a person absolute right to hold land in idleness.

Hon. G. W. Miles: Quite right.

The MINISTER FOR EDUCATION: Our immigration policy, a policy which is advocated for the whole of Australia, is based on the unanswerable argument that five millions of people cannot hold this immense Continent; because there are so many other people who have not room in which to live, and unless we people and use Australia we cannot resist the demand of others that they should be allowed to occupy it. I am strongly of the opinion that whatever may be done by the formation of Leagues of Nations in order to prevent future wars, no League of Nations would ever assert or maintain the right of any community to the continued possession of large areas of land unless that community is prepared to use it. In exactly the same way no community within itself can recognise or maintain the right of an individual to hold large areas of land without use to the exclusion and detriment of other people. It is important that we should recognise firstly that the right of the individual must be respected, and secondly that that right is a right to use and not a right to hold in idleness against the interests of the entire community. There is in this State freehold land alienated to the tune of 9,725,000 acres. In the course of alienation under the Land Purchase Act, under conditional purchase and in homestead farms, there is 9,097,000 acres of first class land, and of grazing leases 6,833,000 acres. The total of alienated land is 25,655,000 acres. Of that the grazing lease portion may be said to be poor. Some portion of the freehold and some portion of the conditional purchase also is inferior land. The estimate of the Lands Department is that roughly 11,655,000 acres may be written down as inferior country.

This leaves fairly good and first class land to the amount of 14,000,000 acres. The total area cleared to-day is 5,036,000 acres, and partly cleared 2,668,000 acres. The total cleared and in process of clearing amounts to 7,704,000 acres. A great deal more of the land alienated and in process of alienation is fenced, and some is stocked. It cannot be said, therefore, that the people on the land have done badly. In 1910 the total area of cleared land was 1,571,000 acres. That is all that was cleared since the foundation of the State, covering a period of about 80 years. In the 12 years which have since elapsed, 3,465,000 acres have been cleared, more than twice as much as was done in the previous history of the State. This makes a total of 5,036,000 acres. If we take the land in process of clearing it may be said that the last 12 years have resulted in five times as much work being done than in the previous history of the State. The second clause of the Bill provides for the establishment of a board consisting of three members, to be known as the Land Acquisition Closer Settlement Board. This clause is slightly different from a similar clause in the Bill of last session. One member of the board shall be an officer of the Department of Lands and Surveys, and another of the Agricultural Bank. Here we have the alteration. The third member shall be appointed from time to time and shall be eligible for reappointment, and shall have local knowledge of the matters under inquiry for the time being. The intention is that on the board at all times there shall be a man with local knowledge of the district concerned. That is highly desirable. The board will not be a costly organisation. Two of the officers will be Government servants, and the third member will be entitled to fees while he is a member. He will be appointed from time to time to deal with the particular matters of which he has special knowledge. Clause 3 provides that the board shall inquire into the suitability and acquirement of any fee simple land. It is confined as before to freehold land. There is also provision that the Act shall continue in force only until the 31st December, 1924. The object is to afford an opportunity of seeing how it works. If, after experience, the Act is proved entirely satisfactory it can be continued, or made permanent as the legislature desires. It has been the practice of this House in several instances where legislation, which is breaking new ground, has been introduced, to attach at the end of the Bill a clause limiting its duration. In this case, recognising that this is a new departure, a breaking of new ground, the Government have themselves put in a clause limiting the duration of the Act. I have said that Clause 3 applies only to freehold land. The committee appointed by this House suggested that the Bill should also apply to conditional purchase land. The view taken by the Government is that conditional purchase land has been parted with under contract, and that contract itself provides the improvements and the uses to which the holder must put it.

Hon. J. Duffell: What is the difference between that and a title certificate?

The MINISTER FOR EDUCATION: The two things are entirely different. In the case of freehold land there are no improvement conditions. Under the C.P. principle the area is limited and the improvements are stated in the conditional purchase lease. It may be said that there is a great deal of conditional purchase land which is not being improved as rapidly as might be desired. The improvements of conditional purchase land are, however, proceeding quickly; never at so rapid a rate as the present. During the 17 months from the 1st June, 1921, £620,450 of Agricultural Bank money has been spent in clearing, an average per month of £36,500. That is to say, the holder of conditional purchase land has been borrowing money from the Agricultural Bank for clearing purposes at the rate of £36,500 a month.

Hon. T. Moore: State farming?

The MINISTER FOR EDUCATION: No, it is individual farming. The individual owes the money to the bank, which has ample security for it.

Hon. J. Duffell: How much freehold land is available in the division in which it is proposed to operate?

The MINISTER FOR EDUCATION: Practically the whole of the freehold land is in the South-West division.

Hon. G. W. Miles: How much is unimproved?

The MINISTER FOR EDUCATION: It would be difficult to say how much of the 9,725,000 acres of freehold land is improved and how much is not. A large percentage is not improved.

Hon. J. Duffell: That information is on the file.

The MINISTER FOR EDUCATION: The total amount improved, cleared and partly cleared, is 7,700,000 acres. If the whole of the land that is cleared were freehold there would still be several millions of acres unimproved. Of the 7,000,000 acres cleared and in process of clearing, probably more than one-half is conditional purchase land. Of the alienated freehold I should say more than one-half is not highly improved, although it may be improved to the extent of fencing and stocking.

Hon. H. Stewart: What proportion of the freehold land is first class? There is a lot of it not first class.

The MINISTER FOR EDUCATION: It would be difficult to arrive at the proportion. I have given hon. members the estimated proportion of first class land, namely, 14,000,000 acres, taken out of the 19,000,000 acres of freehold and conditional purchase land.

Hon. V. Hamersley: Will the 9,000,000 acres include the Midland Company's land?

The MINISTER FOR EDUCATION: I assume it does. For the 17 months the average expenditure per month was £36,500. That average has lately been very materially increased. During the last six

months the progress has been very rapid. For the 16 weeks from the 21st July, 1922, the total expenditure for clearing has been £265,559. For other improvements such as house, fencing, water, stock, machinery, etc., the expenditure was £174,556. During the 16 weeks, therefore, the expenditure has been at the rate of £27,000 per week from the Agricultural Bank. For the 11 weeks from the 21st July, 1922, to the 29th September, the average expenditure was £30,000 per week, £215,159 for clearing, and £121,416 for other purposes. That expenditure has declined a little since then because we are in the harvesting season. During that season there is not the same amount of money used for clearing. Up to harvest time Agricultural Bank money, for the purpose chiefly of developing conditional purchase land, was being used to the extent of £30,000 per week. This indicates that conditional purchase land is being developed not only in accordance with the terms of the lease but at a very much more rapid rate.

Hon. H. Stewart: What is being advanced by the Associated Banks for clearing?

The MINISTER FOR EDUCATION: I daresay a great deal, but I have not the record.

Hon. H. Stewart: This development is not confined to conditional purchase land.

The MINISTER FOR EDUCATION: Not entirely, but very largely.

Hon. H. Stewart: When people get on further they go to the Associated Banks.

The MINISTER FOR EDUCATION: Queensland and New Zealand have legislation of this kind, although it is not identical with ours. They are both the same as Western Australia in that they are confined to freehold land. They do not contemplate taking conditional purchase land, which is regarded as having been sold under conditions of improvement. So long as these conditions are carried out it is held that the owner cannot fairly be compelled to depart from the conditions of his lease for 20 years, or whatever time may be required before the land becomes freehold.

Hon. J. J. Holmes: The bulk of the freehold land of this State was originally conditional purchase land.

The MINISTER FOR EDUCATION: Quite so. The holder had to proceed at a certain rate during the 20 years of the lease, or whatever the time was.

Hon. J. J. Holmes: He did that. Now you want to break up the holdings.

The MINISTER FOR EDUCATION: They may have done that, but is there anything inequitable in telling a man that during the first 20 years of his occupation he must proceed with his improvements at a certain rate, but saying that when that period expires he is not entitled to sit down and make no further improvements?

Hon. J. J. Holmes: You tell him if he does that you will give him a title.

The MINISTER FOR EDUCATION: Certainly. If during the 20 years he improves his land at a certain rate we do give him a title, but the title does not say that after that date he shall not be called upon to make any improvements at all. In Victoria c.p. land is included in an Act of a similar nature to this. There provision is made for a resolution of both Houses being passed before such land can be compulsorily acquired. I believe the New South Wales Bill made provision for c.p. land, but it was not proceeded with. Clause 4 provides that the board shall report on land which has been unutilised and has remained unproductive for two years, after hearing all the interested parties. In the Bill previously presented the board were given power to take evidence on oath. In the present Bill, it is compulsory that evidence shall be on oath. It is also provided that a copy of the evidence shall be forwarded not only to the Minister, but to the owners of the property. Under Clause 5 the board may declare the land to be subject to the Act. A later clause in the Bill provides for the discharge of land from the operation of the Act if the land, after notice of service, has been fully utilised. Clause 6 requires the board to notify the owner. Here again there is another departure from the Bill introduced last year. Under last year's Bill, the obligation was merely to notify the owner, and the owner was called upon to notify all other persons interested whether as equitable mortgagees or otherwise. In the present Bill the board are required to notify not only the owner, but all other persons concerned and the obligation is on the owner as well to notify anyone concerned. By that means everyone interested in the land will be notified. Then within three months after the receipt of the notice by the board, the owner shall make his election of one of two alternatives. He may subdivide and offer his land for sale. If he does that, he must submit to the board for its approval, a scheme for the subdivision of that land and he will be required to make surveys of the land or such portions thereof as, in the opinion of the board, are suitable for closer settlement in accordance with the regulations under the Land Act, 1898, and the Transfer of Land Act, 1893, so far as applicable. He will also be required to offer his land for sale on approved terms and conditions. The second alternative is to pay a treble land tax from the commencement of the current financial year, without any abatement under Section 17. That is an addition to what appeared in last year's Bill. It was considered last year that an owner of land held in idleness might escape although he offered to pay three times the amount of land tax under Section 17 of the Land and Income Tax Assessment Act, 1907, which provides for the deduction of income tax paid from land tax. Under the wording of Clause 6 the owner will have to pay three times the tax if he elects to do so, and there will be no getting away from it.

Hon. H. Stewart: If all these conditions are imposed, he will have to pay six times the tax, because if he utilises the land he only has to pay half the rate.

The MINISTER FOR EDUCATION: If he utilises his land he will not come under the Act.

Hon. H. Stewart: Yes, he will.

The MINISTER FOR EDUCATION: Clause 7 has been entirely altered. It provides that if an owner fails to notify the board under Section 6—that is if he has failed to take advantage of the choice open to him either to utilise his land or pay three times the land tax—within the prescribed time, the Governor may by notice in the "Gazette" declare that the land has been taken under this Act for the purpose of closer settlement and the land so taken shall, by force of the Act, be vested in His Majesty. Then we come to the question as to how compensation is to be paid. In the Bill last session provision was made for the compensation to be based—

> (a) On the unimproved value of the land which shall be deemed to be the amount at which the unimproved value is assessed for time being under the Land and Income Tax Assessment Act, 1907, with 10 per centum added thereto: Provided that any owner may, within 30 days after the commencement of this Act, amend his return under the Land and Income Tax Assessment Act, 1907, for the current year of assessment, by increasing the value placed by him upon his land and thereupon a re-assessment shall be made by the Commissioner of Taxation, subject to an appeal by the owner to the Court of Review from any reduction by the Commissioner of the owner's valuation; and (b) on the fair value of the improvements assessed at the added value given to the land for the time being by reason of such improvements; to be agreed upon between the owner and any mortgagee or any other person having any interest in the land and the board, or determined by arbitration under the Arbitration Act, 1895.

Instead of the first portion of that clause, provision is now made for compensation to be based on the unimproved value of the land and on the fair value of the improvements assessed at the added value given to the land for the time being by reason of such improvements, to be determined by arbitration under the Arbitration Act, 1895, provided that the amount at which the unimproved value is assessed for the time being under the Land and Income Tax Assessment Act, 1907, with 10 per cent. added thereto shall be prima facie evidence of the unimproved value of the land. The Bill last session made the amount of the assessment plus 10 per cent., the unimproved value. This Bill says that the amount of the assessment shall be prima facie evidence of the value of the land and 10 per cent. shall be added to it. The difference is entirely in favour of the owner of the land. Clause 8 provides that if the subdivision is not to the board's satisfaction, that is, if the owner chooses the first of the alternatives, and does not carry out his obligations, he then has to pay treble tax, subject to an appeal to a Supreme Court judge. Clause 9 provides that notice shall be served upon all persons who appear to have any interest in the land. Clause 10 provides that an owner may require the whole of his land to be taken. That is equitable, because it would be easy to take away from a person a portion of his property and although he might be paid full value for that area, it would destroy the value of the remainder of the holding. Clause 11 is formal, dealing with the registration in the Titles Office. Clause 12 provides that the land shall be disposed of under the Agricultural Lands Purchase Act 1909, and that funds will be made available under that Act or as appropriated by Parliament for the purposes of the Act. Clause 13 was not in the Bill last session. Its object is to provide that land may be taken from a member of Parliament if required, just as it may be taken away from anyone else.

Hon. J. Kirwan: How can an Act of Parliament over-ride the Constitution of the State?

The MINISTER FOR EDUCATION: It is not a question of an Act of Parliament over-riding the Constitution of the State. The Constitution provides that Parliament by any Act can amend or alter the form of the Constitution. It imposes certain restrictions, however. It says that no alteration to the Constitution which makes a change in the constitution of the Legislative Assembly or the Legislative Council can be presented for the assent of the Governor, unless the Bill has been carried on the second and third reading stages by an absolute majority. It is clearly set out in the Constitution, however, that Parliament may amend it.

Hon. J. W. Kirwan: Is this the method to adopt to alter the Constitution?

The MINISTER FOR EDUCATION: I do not see any objection to this method. Without this clause, it would be impossible for a member of Parliament to part with his land to the Crown, and the effect would be to place a member of Parliament in a privileged position in that he would be able to hold land in idleness. If the Bill is likely to operate harshly against owners of land, as some people seem to think, it would be improper to protect members of Parliament against its provisions. Therefore, the object of the clause is to provide that members of Parliament shall have their land taken from them by the board if deemed necessary and that will not mean the forfeiture of the seat.

Hon. J. J. Holmes: A member of Parliament in such cases would not sell his land. It would be taken away from him.

The MINISTER FOR EDUCATION: Of course, that is so.

Hon. J. J. Holmes: Then why is it necessary to amend the Constitution?

The MINISTER FOR EDUCATION: If a member of Parliament takes money for his land, he would have to forfeit his seat unless the clause is included in the Bill.

Hon. A. Lovekin: That would be a contract.

Hon. J. J. Holmes: Not a contract, but highway robbery.

The MINISTER FOR EDUCATION: Clause 14 provides for power to discharge land from the operation of the Act if it is proved to the satisfaction of the board that the land declared to be subject to the Act, has been fully utilised. Clause 15 deals with regulations and Clause 16 provides for records and an annual report to be presented to Parliament. The final clause limits the operation of the Act to the 31st day of December, 1924, and no longer. In New South Wales, a Bill was presented in 1921. It made provision for all lands except town and land fully improved of a value ex buildings under £20,000. The owners were to provide particulars and specify the area. The £20,000 represented the full improved value, ex buildings, in what was referred to as a "retention area." That represented what could be retained, but the remainder was regarded as "an open area."

Hon. H. Stewart: That is very different from this Bill.

The MINISTER FOR EDUCATION: In that case, the board determines the value of the areas. I do not know that the New South Wales Bill may be regarded as of very much importance as it was not passed, and, consequently, did not become an Act.

Hon. H. Stewart: It seems to have been generous compared with this because of the £20,000 limitation.

The MINISTER FOR EDUCATION: In that particular it was, but in other particulars the Bill was much more severe than the present one. In Queensland it was provided that land affected was only that held in fee simple. It could be acquired by agreement or compulsorily. The provisions for compulsory acquirement applied only where the value of the land exceeded £20,000, ex improvements.

Hon. H. Stewart: Queensland is a good State to cite, as a parallel!

The MINISTER FOR EDUCATION: In Victoria fee simple, conditional purchase, or leasehold lands of unimproved value of over £2,500 may be acquired either by agreement or compulsorily. It will thus be seen that there is a great difference between these several Acts. If the owner in Victoria does not accept the offer of the Crown, a resolution of both Houses of Parliament may direct the compulsory acquisition of the whole or part, subject to an appeal to a special board, which may exempt the land for four years. If a part of his property is taken the owner may require the whole to be resumed.

Hon. H Stewart: That is more generous.

The MINISTER FOR EDUCATION: The owner may retain land to the value of £6,000 or up to £10,000 if the judge permits him to do so. Compensation there may be determined by an agreement before a judge with, or without, a jury or assessors, and it is based on the value of land and improvements, damages by severance, enhancement or depreciation of other adjoining lands. In New Zealand the Act applies only to land held in fee simple and the acquirement there may be by agreement or compulsorily. Land may be taken compulsorily if the owner refuses to sell subject to limitations which include: (1) The area must exceed the prescribed maximum; (2) the owner may retain the prescribed maximum which is 1,000 acres of first class land, 2,000 acres of second class land, and 5,000 acres of third class land; and, (3), the owner may require the whole estate to be taken, if part is acquired. As for compensation, if the amount involved is over £1,000 it will be heard before a judge. It will be based on the value of the land and improvements, together with loss to business. It is assessed there separately for unimproved values, which is the assessed value under the Valuation of Land Act, and improvements. To the unimproved value is added: Up to £50,000 10 per cent.; over £50,000, 5 per cent. That is the value assessed under the Valuation of Land Act. On top of that, 2 per cent. is added for deprivation. Thus, 10 per cent. would be allowed up to £50,000 and 5 per cent. on all over £50,000, and then the 2 per cent. for deprivation would be added, which would make a total of about 12 per cent. In the case of estates of small values, the amount would be a little more than is contemplated under this Bill, but in estates of large values it would be less than is contemplated under this measure. Those are the principles of the Bill. The measure was discussed at some length during last session and the principles of it were then accepted by the House. I trust that the House will again accept the measure. I move—

That the Bill be now read a second time.

Hon H. STEWART (South-East) [5.16]: I have listened with considerable interest to the case put up by the Leader of the House regarding this measure, and I am pleased indeed that he instanced similar legislation in other States. I have made a detailed study of the Land Valuation, Land for Settlement, and Land Tax Acts of New Zealand, and I propose to mention some of their principal features. Among all the instances from other States cited by the Minister there was nothing approaching this measure in the harshness of the terms proposed to be imposed and the hit it makes at security of titles and security of tenure. There are many arguments which could be advanced against this Bill in its present form. I am opposed to the measure absolutely, and I think an excellent case could be built up for putting it out on the second reading. Landholders, of whom I represent a good many, consider it a most inequitable measure. They would welcome a fair and equitable measure which would cause those people who are not improving their land within the meaning of the Act to be dealt

with. For years there has been a crying need for dealing with these cases. As far back as my first session in this House, I directed attention to the fact that the income tax commissioner, in his report, valued urban lands at 1½ millions sterling, country lands at £1,169,000; and other at £300,000, totalling £3,000,000. There are many instances where the conditions imposed under the conditional purchase terms are not being honoured, and yet nothing is done to deal with such cases. These people pay a tax of 1d. in the pound, but under the income tax arrangement, if they are utilising their land, or getting income from it, they are allowed a rebate of one-half, namely, a ½d. in the pound. Those are old figures and this is not one of the main features, but when the Minister was speaking, it occurred to me that here was one direction where something drastic should be done and would be justifiable. Many people, however, have taken up land under conditional purchase conditions and have fulfilled those conditions absolutely, and yet the Government by this measure are going to tell them, not that they shall utilise the land, but that they shall utilise it in a way which will commend itself to an officer of the Agricultural Bank, an officer of the Lands Department and a nominee of the Government. New Zealand, under its Land Settlement Act of 1908, has a board of five. The Premier in another place refused to increase our proposed board from three to five. What right have the Government to say that a man shall conduct his business in a particular way? So long as he is utilising his property, what right have they to say that it shall be utilised in accordance with the definition of this measure? The definition reads—

> The Board may inquire into the suitability and requirement for closer settlement of any land held in fee simple but unutilised and unproductive.

But the definition depends on the opinion of these three officers. We cannot anticipate that a majority of the board, consisting probably of two city officers, will be a proper board to determine what is unutilised and unproductive land. Land shall be deemed unutilised and unproductive within the meaning of this Act, notwithstanding that it is partly utilised or productive, if in the opinion of the board the land is not put to a reasonable use and its retention by the owner is a hindrance to closer settlement and cannot be justified. This applies only to land held in fee simple. With this Act passed and perpetuated, people who have conditional purchase land can continue to make their payments and not take out their Crown grants, and can thus avoid being dealt with under this measure. The people who hold land in fee simple, land which was originally taken up under conditional purchase terms, have fulfilled the conditions on which the land was sold to them. The Government will not bring under this measure conditional purchase land, although Mr. McLarty, who is at the head of land settlement in this State, told the select committee that this Bill would be practically futile unless conditional purchase land was brought within its scope. If the Government want to deal properly with this question, they should not have taken notice of the ignorant and ill-considered Press campaign which has been conducted with regard to unutilised land held in fee simple along existing railways. Instead of introducing an ill-considered measure of this kind, and I say ill-considered after having studied the New Zealand law, the Government should have given careful attention to an equitable measure not open to the objections which may be levelled against this one. The basis in connection with all land legislation, valuation and taxation in New Zealand seems to me to be most equitable. In Western Australia and in the other States of the Commonwealth there is provision for land valuation by the Commissioner of Taxation, but there is no fair and proper system laid down. I have been led to consider the New Zealand legislation by various utterances made here from time to time. A perusal of that legislation from 1908 to recent times, sent to me by the Premier of New Zealand a couple of years ago, convinces me that it is most equitable. If similar legislation were introduced here, I think it would meet with the approval of all landowners and would inflict hardship on nobody. Instead of any empirical method of valuing land, New Zealand has the Land Valuation Act No. 203 of 1908, which was slightly amended in the matter of definitions by No. 15 of 1912. Under Section 5 of that Act they have district valuers appointed, persons of reputed local knowledge of land values. Section 13 provides for the preparation of a district roll on the instructions of the Valuer-General. Section 13 states that anyone who is dissatisfied with the values on the district roll may appeal to an assessment court, consisting of the magistrate of the district, an appointee by the Governor-in-Council, and an appointee by the local authority of the district whose roll is being considered, but who is not a member of any local authority. This seems to be a fair and impartial kind of board. There is no appeal from the decision of that board as regards values, but there is an appeal to the Supreme Court on points of law. Section 30 provides that if the Valuer-General thinks the capital value has been fixed too low, he can give 14 days' notice to the owner that he should agree to the capital value being increased, failing which he will recommend the Governor-in-Council to purchase at that increased price. The owner may consent or the parties may agree upon a different price, but if they do not agree, the Government may acquire the land at the increased price. If the Government do not acquire it, then the lower rate, as fixed by the assessment court, stands. That in itself seems perfectly fair. Now for the other side. Under Section 31, the landowner has a remedy. If he is dissatisfied with the valuation by the assessment court, he may give notice to the Valuer-General that he requires the capital value to be reduced to a certain sum, say

(E), or the land to be acquired by the Government at that value (E). If the Governor-in-Council does not approve of the acquisition of the land, then the Valuer-General shall reduce the capital value to that sum, value (E), which the owner considers fair and reasonable. There is also provision (Section 36) that any person may, by notice and payment of a fee, require the Valuer-General to make a new valuation and enter the same on the roll. Anything in New Zealand legislation dealing with taxation or the acquisition of land is based on that system of valuation, and it appeals to me because of the local knowledge on which it is based, the uniformity of the system, and the provision of fair rights of appeal. I challenge any member to point out how that can be improved upon or made more equitable. Each party backs its opinion by being willing either to pay tax or to purchase. I cite this to show the great contrast between that equitable measure and the present Bill. In connection with land taxation in New Zealand, there are two taxes, an ordinary land tax and a graduated land tax. The former is on the owner's unimproved value in accordance with the Land Valuation Act. Now I give certain information from the New Zealand Land and Income Tax Act of 1916. By Section 46 of that Act a taxpayer's own valuation may be taken for taxation if it be higher than that of the valuer general. Section 49 provides that the ordinary land tax is to be on the owner's unimproved value after deducting the capital value of all mortgages, and after making special exemption from the remaining value (V). The special exemption is as follows:—(a) If not exceeding £1,500, first of all deduct £500. (b) If the remaining value exceeds £1,500, deduct £500 diminished at the rate of £1 for every £2 of that excess so as to leave no deduction when the remaining value (V) exceeds £2,500. By Section 50 exemption may be granted where the income of the person owning the land is not greater than £200. Up to £2,000 exemption may be allowed in special cases with the approval of the Taxation Commissioner, and Section 51 provides for exemption in the case of widows with young children, of £3,500. By Section 54 the holders of land under agreement to purchase or subpurchase are taxable; and the owners of estates less than the fee simple—that is, entailed estates—are also attachable. Under Section 57 there are various exemptions, for example, local authority and education. Then there is the graduated land tax. The New Zealand No. 1 Finance Act of 1916 gives the information that Mr. Miles wishes to have, namely, the amount of the tax. This will be found in the land tax portion of the land and income tax part of the New Zealand No. 1 Finance Act, 1916. Section 49 dealing with land tax provides that the ordinary tax is 1d. in the pound on the unimproved value (V). There is an exemption (a) as I have already stated of £500 if the unimproved value be not greater than £1,500, or (b) of £500 less £1 for every £2 up to £2,500 unimproved value only. (See also Section 49 of No. 5 of 1916.) As regards the graduated land tax there is first of all a £5,000 exemption, and up to £15,000 the graduated tax is one thirty-second of a penny, with an additional thirty-two-thousandth part of a penny for each £1 over the £5,000. When the value of the land is more than £15,000 but not exceeding £30,000, the graduated tax is still higher, and from £30,000 to £200,000 it is on yet a higher scale. I do not wish to be pulled up on a technicality in connection with this matter, and therefore I mention that the New Zealand Finance Act of 1917 makes slight amendments with regard to deductions allowable on the unimproved value of an estate over £1,500, to provide for mortgaged properties. It was taken into account that if the land in question had a certain value, the owner was allowed, under the Amendment Act of 1917, to arrange to deduct the mortgage if it was less than the amount of the minimum exemption, or otherwise to deduct a portion of the mortgage. That appealed to me as being much more generous than anything in our legislation. Many people cite the instance of New Zealand as a reason for the introduction of drastic legislation to deal with unutilised lands, and therefore I got the surprise of my life, upon turning to New Zealand land legislation, to find that it would be considered by any Australian land owner not only equitable but generous, and such as to foster not only the tenure and utilisation of land, but also the acquisition of land by people and the development of the country generally.

Hon. A. J. H. Saw: Did the New Zealand land owners take that view of this legislation when it was introduced?

Hon. H. STEWART: I do not know. I daresay not. I suppose the legislation was considered to be pretty hard. But compared with the measure now before us it is extremely generous. I noticed in one of those measures a reference to the Land Settlement Act of New Zealand, 1908. There one could perhaps more properly institute a comparison with the Bill. I will now indicate the principles of that measure, which is No. 97 of 1908 of the Consolidated Statutes of New Zealand, Vol. III., Appendix "D." The measure consists of 87 sections covering 26 pages, so that I can only give the House a digest of it. In going through the measure, which I have here before me, I was struck by it as being particularly equitable and nowise harsh. There were nine Acts dealing with lands for settlement, dating from 1896 to 1907; and they have been reduced to the one Consolidated Act of 1908. The Supreme Court determines the amount of compensation, but all compensation cases are based upon the system of valuation by the valuer general, with the rights of adjustment and appeal as I have already described. The Minister referred to, and I wish to stress, that in the New Zealand Land for Settlement Act, Section 29 provides for compensation to be based

on (1) the value of the land, and (2) the loss caused to the claimant's business. The Act provides for the acquisition of lands by the Board of Lands Purchase Commission, numbering five members. Section 6 states what lands may be acquired. One can go through the whole of the Act without discovering in it one suggestion that land shall be taken because it is unutilised or unproductive, and certainly it is not left within the power of any board to interpret the meaning of unutilised or unproductive land. There is no provision in the New Zealand Act to compel the utilisation of lands in any particular way. Land may be acquired voluntarily by arrangement, as provided by Section 11, etc., or it may be acquired (Sections 14, 19, etc.) compulsorily under equitable terms which fully protect the holder. Section 29 provides that a claim for compensation lodged in the Supreme Court shall be deemed a claim within the meaning of "claim" under the Public Works Act, 1908. Under Section 31 assessment for compensation for land compulsorily taken shall be based (Subsection 3) on the unimproved value shown in the district valuation roll under the Valuation of Land Act. Subsection 5 of Section 31 provides that the value of the improvements on the land requisitioned shall be as determined by the Valuation of Land Act, by Subsection 6—as the Minister has stated—10 per cent. on up to £50,000 capital value, and 5 per cent. on the residue over £50,000 capital value shall be added to the capital value as determined by Subsections 3 and 5, and Subsection 12 provides that in every case there shall be added to the total amount of the compensation payable as above, a further amount of 2 per cent. as compensation for loss or injury which may be suffered. Interest is payable (Section 35) if the compensation is not paid promptly. Section 45 provides that no settlement lands taken under the Land for Settlement Act may be disposed of in perpetuity, but only by a 33 years' lease, with a right of renewal for another 33 years, at a yearly rental representing 4½ per cent. of the capital value fixed by the Minister, and not less than the expense of the acquisition and settlement to the Government. If people of all shades of political thought here could feel that in connection with the taxation of land there was to be a fair and equitable system, on something like the basis of this New Zealand legislation, we should find a very different attitude displayed in the consideration of all questions of land taxation and the unimproved value of land. This question depends in an almost vital degree on the definition of the unimproved value of land, and on the definition of improvements and the value of improvements. And I think it is questionable whether the definition of these points in the New Zealand legislation is quite as good as, although more definite and less liable to promote litigation than, the definitions of similar terms in the Federal Act. Having made a comparison between the legislation in this State and that in New Zealand I will end my remarks in that respect by saying that the conclusion I have arrived at is that we would be on sound ground if we had such a fair and equitable system of land valuation. We would be the first within the Commonwealth to have it, and we would probably find that the Commonwealth would follow our example. I am sure that a lot of trouble would be saved and that there would be fewer anomalies in the matter of Federal, State, and local Government valuations. Another objection I have to granting the authority sought under this Bill is this—and I made it an objection when speaking against the Bill last session—I declare that the Government have had power under Sections 12 and 14 of the Agricultural Lands Purchase Act Amendment Act 1919 to compulsorily acquire freehold land between Clackline and Beverley, and of course elsewhere and up to a few months ago I do not think they compulsorily acquired one acre of it. We also gave power to the Government to make resumptions in connection with pastoral leases; we sought to give them every power to settle on the land soldiers, including ex-Imperial soldiers and dependants under the Discharged Soldiers Settlement Act, 1919, and the amendment of the Lands Purchase Act which authorised the Government to acquire any estate, the value of which, after deducting the cost of the improvements, was £5,000. I believe it can be said that in the area that I referred to—Clackline to Beverley—there are many estates worth £2 5s. an acre after deducting the cost of improvements, and where 3,000 acre farms would have come within the scope of the Act. Since the passing of that Act there has been a regular credit balance of over a thousand soldiers possessing the necessary land qualifications certificate waiting to take up land. Yet in spite of that not one of those estates has been purchased by the Government. Why should we give the Government power under the Bill to spend money and then find that they will not acquire the land. During the last three years a number of large estates have been subdivided into farms and offered for sale privately and also offered to the Government, e.g., Wilberforce, near York, Mr. C. J. Moran's estate at Dongalocking, about 15 miles from the railway, Mr. Austin Piesse's property at Arthur River within 12 miles of the railway, and Mr. H. V. Piesse's estate at Katanning. These are a few examples of many estates that have been subdivided and put into agents' hands to sell at bare market rates, and in a period of two years very few portions of these estates have been sought after. The Bill before the House does not impose any obligation on the Government to purchase. It says that if the board determines that certain land is unutilised and unproductive, notwithstanding that such land is partly utilised and productive, it can be dealt with.

But it should be dealt with by giving the owner the choice of paying three times the rate of tax or make, when required by the board to do so, surveys of the land or such portions thereof as in the opinion of the board are suitable for closer settlement in accordance with the regulations under the Land Act, 1898, and the Transfer of Land Act, 1893, so far as applicable. The next paragraph of the Bill reads—

> Cause the subdivisional lots from time to time as required by the board to be offered for sale by auction or private contract at such reasonable upset prices and upon such reasonable terms and conditions as the board may approve.

If a man chooses to go to the expense of subdividing and offering his land for sale, there is no obligation on the part of the Government to buy it. Compare that with the position in New Zealand where in the first place, after the valuation of the land, either party can pledge its willingness to purchase.

Hon. T. Moore: He can do one of two things.

Hon. H. STEWART: If he does not do either, I would like to know what will happen. The Government may compulsorily resume.

Hon. T. Moore: Do you wish the Government to do that?

Hon. H. STEWART: It is only a fair thing that some obligation should be cast on the Government. If a man subdivides his land and offers it for sale at the price fixed, and someone else does not buy, it is equitable that the Government should buy. The intention of the Bill, as stated by the Minister, is to compel the payment of an increased tax on the lands that remain unutilised.

Hon. J. J. Holmes: Why not confiscate?

Hon. H. STEWART: The other evening we were considering a measure—the Licensing Bill—dealing with an industry which I declared no one could say was likely to promote the interests of the State or its development in any way, and we found in connection with that industry that the measure protected not only the freeholder, but the mortgagee, the lessee, the lessor, and the licensee. If the licensee should break the law twice the court of petty sessions "may" cancel the license. We know that the cancellation of a license is a rare occurrence. It is not, however, provided that the license "shall" be cancelled. Under the Bill we have freeholders who are fulfilling all their obligations and who have obeyed the law, and in the event of their not utilising the land they hold, power is given to a particular type of board to declare that they are not utilising the land in the manner in which that board may deem to be the proper way. What we need to do is to see that people have security of tenure and we should create the feeling amongst landholders and others, not only here but in the Eastern States, that there is such a thing as security of tenure, and that our measures compelling the utilisation of the land are fair and equitable. If people can be made to realise that they will not be interfered with and that the board will act fairly in determining what shall be done in connection with the land, then we may look for increased settlement. Only recently we had in this State for a period of a month, the representative of the finest pastoral journal in Australia, "The Pastoral Review." This gentleman travelled throughout the South-West division of the State and he was particularly impressed with our stock and with our land, and the low valuation of the land. But what he wanted to find out was all the details in connection with the security of tenure, and it is on that, I repeat, that will depend whether we will get people with money to invest it in Western Australia. We want to have in operation conditions which will induce people with capital to invest that capital in our agricultural industry.

Hon. T. Moore: They do not seem to be rushing us to-day.

Hon. T. STEWART: But the time will come when the low valuation of our lands will be appreciated, and I think that time is not far distant. There have been several instances lately of people from the Eastern States acquiring properties in that part of the State which I represent. The movement has begun and if tenure is not interfered with, the movement will grow. We should be particularly careful not to interfere.

Hon. T. Moore: The Bill will interfere with the man who will not do anything.

Hon. H. STEWART: I have already indicated that the Bill seeks to deal with a problem and that in my opinion it deals with it in a harsh and unfair manner. If the Government will bring down a Bill that is based on the principles of equity and fairness such as we find exists in New Zealand, they can look for my support. As the Bill is at the present time I shall oppose the second reading.

Point of Order.

Hon. A. Lovekin: I rise to a point of order. I submit it is not competent for the House to proceed further with this Bill. Clause 13 of the Bill provides that Sections 32, 33, and 34 of the Constitution Act Amendment Act, 1899, shall not apply to any contract or agreement under and for the purposes of this Act." If we refer to those sections we will see that they deal with the qualifications of members of this House and of another place. Therefore the Clause in question brings us within the ambit of Standing Order 180 which says—

> If any Bill received from the Assembly be a Bill by which any change in the Constitution of the Council or Assembly is proposed to be made, the Council will not proceed with such Bill unless the Clerk of the Assembly shall have certified on the Bill that its second and third readings have been passed with the concurrence of an absolute majority of the whole number of the members of the Assembly.

I have seen the Bill. There is on it the usual certificate relating to a money Bill, but there

is not on it the certificate required by Standing Order 180, namely, that the Bill has been passed with the concurrence of an absolute majority on the second and third readings. Therefore I submit this Bill cannot be proceeded with.

The President: My ruling is that it can be proceeded with. Clause 13 relates to only contracts made under the Bill.

Hon. A. Lovekin: Will you give me the reasons for your ruling?

The President: No, I have given you my decision.

Hon. A. Lovekin: Then I must move that your ruling be disagreed with.

The President: Well move it; otherwise the business of the House must be proceeded with. The hon. member is disturbing it.

Dissent from Ruling.

Hon. A. Lovekin: Under Standing Order 406 I move—

That the ruling of the President be disagreed with.

I do so on the grounds that the ruling is contrary to Standing Order 180.

The President: The motion must be seconded.

Hon. J. J. Holmes: I second it.

The Minister for Education: I move—

That the debate on the motion for dissent be adjourned to the next sitting of the House.

Hon. A. Lovekin: I take it I shall not be deprived of my right to speak to my motion.

The Minister for Education: No.

Motion put and passed.

Debate resumed.

On motion by Hon. G. W. Miles, debate adjourned.

House adjourned at 6.7 p.m.

Legislative Assembly,

Thursday, 9th November, 1922.

The SPEAKER took the Chair at 4.30 p.m. and read prayers.

SELECT COMMITTEE — SOLDIER SETTLEMENT.

Leave to adjourn from place to place.

On motion by Mr. Wilson, resolved: "That the select committee appointed to inquire into the question of repatriated soldiers and land settlement policy have leave to adjourn from place to place."

Extension of time.

On motion by Mr. Wilson, the time for bringing up the report of the select committee was extended for four weeks.

BILL—AGRICULTURAL BANK ACT AMENDMENT.

Message.

Message from the Lieut.-Governor received and read recommending the Bill.

Second Reading.

The PREMIER (Hon. Sir James Mitchell—Northam) [4.33] in moving the second reading said: The intention is to alter the existing Act so that the repayments of loans may be easier than they are at present. The present Act provides for the payment of interest only for the first five years and then the repayment of principal in equal half-yearly instalments over 25 years. Experience has shown that it takes at least ten years to put a man firmly on his feet. Equal repayments over 25 years mean heavy bills in the early years after the fifth year, but growing lighter as the principal repayments reduce the interest charge. The diminution occurs at the wrong period. Apart from the work for which money is advanced, there are many things which have to be done by the farmer for himself. The cost of everything required on a farm is much heavier than it was a few years ago and thus settlers are handicapped. It now costs about twice as much for a set of machinery as it cost before the war. We want to make the repayment as light as pos-